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Please know that I cut costs and saved valuable tax dollars on this important mailing to you by reducing its size and posting additional info on my Web site.

B.H.

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EDUCATION

Lawmakers provided schools more financial flexibility and local control. We also took steps to address social promotion of students not reading at grade level.

Under House Enrolled Act 1367, schools can claim up to 5 percent of funding normally dedicated to capital projects and use it for instructional

purposes. Schools agreeing to pay freezes for staff, excluding those for years of experience and new degrees, can use up to 10 percent. By allowing access to these resources, money will be

available to help schools prevent teacher layoffs and preserve instructional programs.

To avoid additional software costs and provide more local control, Senate Enrolled Act 309 gives local schools the option to continue budgeting on the calendar year or change to the state's

fiscal year, July 1 – June 30.

HEA 1367 also requires a new statewide plan to improve reading performance among grade-schoolers. Input will be sought through public hearings.



AG ASSESSMENTS

Lawmakers approved a measure I co-authored aimed at stabilizing Indiana's agricultural property assessments that farmers say are currently unfair.

State figures show farmers are experiencing unanticipated "peaks and valleys" in farmland assessments based on an experimental formula crafted in 2006. Economists attribute the fluctuations in-part to speculation about alternative energy sources like ethanol, bio-diesel, biomass and wind as well as economic corrections due to

the national recession, food and energy markets.

Senate Enrolled Act 396, supported by the Indiana

Farm Bureau, will use an adjusted rolling average that eliminates the highest assessed value over a six-

year period. Known by economists as the "Modified Olympic Average" technique, the model should provide farmers and local governments more stable agricultural property assessments and be more representative of true market value.





SEN. BRANDT HERSHMAN

SERVING SENATE DISTRICT 7 TAXPAYERS



JOBS: LAWMAKERS FIGHT NEW SPENDING, NEW TAXES; PASS PRO-JOBS INITIATIVES TO HELP HOOSIERS

With little time and no money, lawmakers worked this short session to maintain Indiana's pro-job climate of low taxes and limited regulation.

Senators kept a close, careful eye on proposed legislation and amendments to avoid new state expenditures and government intervention that would have raised taxes and imposed red tape during already hard times for Indiana's workforce and employers.

Gov. Mitch Daniels, with the support of Senate Republicans, rightly reacted to tumbling state revenues by cutting government spending, flat-lining state payrolls and freezing all but essential hiring. To date, state bureaucracies have cut 20 percent from operating budgets. Reluctantly, higher education funding has been reduced 6 percent and public K-12 schools – nearly half of the state budget – have been asked to find 3 percent in new cost savings and efficiencies to help save classroom teachers' jobs.

Senate Enrolled Act 23, which I authored, delays \$400 million

in new unemployment insurance premiums from going into effect in 2010. By avoiding premium increases, lawmakers hope employers large and small will be in stronger positions to retain or add employees.



Lawmakers also passed initiatives to help Hoosiers recover from the national recession:

- **New Employer Tax Credits** will be offered to businesses relocating or incorporating in Indiana. Qualified businesses must hire 10 or more full-time employees, not including owners.

- **Small Business Tax Credits** will be expanded to make small employers with fewer than 35 workers eligible for Economic Development for a Growing Economy (EDGE) credits.

- **Small Business Ombudsman** will be an advocate for small employers with state agencies, helping navigate regulations, streamline paperwork and coordinate due dates. Also, the ombudsman will monitor outdated, ineffective and overly burdensome reporting requests and red tape.

- **H.I.R.E.** (Helping Indiana Re-start Employment) initiative will offer tax incentives to employers who hire and train unemployed and underemployed Hoosiers.

Voters in November will decide if property tax caps will be added to state Constitution – once and for all

Hoosier voters in November's general election will determine if permanent caps on property tax rates will be added to the Indiana Constitution.

Members of the Indiana Senate and House of Representatives this session have given final passage to a resolution I co-authored that would constitutionally cap property tax rates at 1 percent for owner-occupied homes, 2 percent for other residential and agricultural properties and 3 percent for businesses.

This historic tax reform effort sets the stage to add the 1-2-3 caps to Indiana's Constitution. In order to change the state constitution, an amendment must be passed by two separately-elected sessions of the Indiana General Assembly and then approved by voters.



Immediately after a property tax crisis that sent tax bills skyrocketing and hordes of homeowners to the Statehouse demanding reforms, senators and House members in 2008 passed the phased-in property tax caps into law and started the constitutional amendment process. The Republican-led Senate kept momentum for the amendment by passing it again in 2009, but the caps did not receive a vote last year in the Democrat-controlled House.

This year's action by both the Senate and House proves lawmakers are once again siding with taxpayers and not tax spenders – keeping the promise of permanent property tax relief and reform.

Because lawmakers successfully passed the amendment through both chambers, Hoosier voters will have the final say on Nov. 2.